

DEC 4 1987 11AM

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.When recorded return to: )  
United States of America )  
c/o William J. Ruddick )  
United States of Interior )  
Bureau of Land Management 10 )  
2015 W. Deer Valley Rd.  
Phoenix, Az. 85027  
Escrow #75005428  
Policy #F-830287

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS: that Talley Realty Development, Inc., a Delaware corporation, Grantor herein, for and in consideration of the exchange of certain land and interests as authorized by the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), the receipt and sufficiency of which are hereby acknowledged, does hereby convey to the UNITED STATES OF AMERICA, its successors and assigns forever, Grantee herein, that certain real property located in the County of Cochise, State of Arizona, described in Exhibit "A" attached hereto and incorporated herein by this reference together with all rights and privileges appurtenant thereto.

TO HAVE AND TO HOLD the same unto the Grantee, its successors and assigns to warrant and defend the title as against all persons whomsoever.

SUBJECT TO those items set forth in Exhibit "B" attached hereto and made a part hereof.

IN WITNESS WHEREOF, this Warranty Deed has been executed this 2<sup>nd</sup> day of December, 1987.

TALLEY REALTY DEVELOPMENT, INC.,  
a Delaware corporation

EXEMPT PER ARS 42-1614 A3

By [Signature]  
Its \_\_\_\_\_

STATE OF ARIZONA )  
County of Maricopa ) ss.

This instrument was acknowledged before me this 2<sup>nd</sup> day of ~~DECEMBER~~, 1987, by SCOTT H. O'CONNOR, the VICE PRESIDENT of Talley Realty Development, Inc., a Delaware corporation.

[Signature]  
Notary Public

My Commission Expires:  
May 18, 1991



871229753

CERTIFICATION STAMP

STATE OF ARIZONA } ss.  
COUNTY OF COCHISE }  
THE FOREGOING INSTRUMENT IS A FULL, TRUE AND CORRECT COPY AS APPEARS ON RECORD IN THIS OFFICE  
FEE \$ 87229753

Attended JUN 10 1988 20  
CHRISTINE RHODES  
By [Signature] Deputy

EXHIBIT 'A'

PARCEL I:

THAT PORTION OF SECTION 17, TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, LYING NORTHWESTERLY OF THE SAN PEDRO RIVER AS IT RAN ON FEBRUARY 23, 1982.

EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 17;

THENCE SOUTH ALONG THE WEST SECTION LINE OF SAID SECTION 17, A DISTANCE OF 1,510.00 FEET;

THENCE EAST, A DISTANCE OF 460.00 FEET;

THENCE NORTH, A DISTANCE OF 610.00 FEET;

THENCE EAST, A DISTANCE OF 200.00 FEET;

THENCE NORTH, A DISTANCE OF 900.00 FEET TO THE NORTH LINE OF SAID SECTION 17;

THENCE WEST, A DISTANCE OF 660.00 FEET TO THE POINT OF BEGINNING.

PARCEL II:

THE SOUTHEAST QUARTER AND THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, LYING NORTH AND WEST OF THE SAN PEDRO RIVER, AS IT RAN ON FEBRUARY 23, 1982.

PARCEL III:

ALL OF LOT 3 AND ANY PORTION OF LOT 2 OF SECTION 19, TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCHISE COUNTY, ARIZONA, LYING WEST OF THE SAN PEDRO RIVER, AS IT RAN ON FEBRUARY 23, 1982.



FEE # 871229753  
OFFICIAL RECORDS  
COCHISE COUNTY  
DATE HOUR  
12/04/87 11

REQUEST OF  
TICOR TITLE INSURANCE CO  
CHRISTINE RHODES-RECORDER  
FEE \$ 10.00 PAGES 5

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EXHIBIT "B"

SCHEDULE B - EXCEPTIONS

1. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA, RECORDED IN BOOK 25 OF DEEDS OF REAL ESTATE AT PAGE 101, READING AS FOLLOWS:

THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

(AFFECTS THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 17; THE SOUTHEAST QUARTER; AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18).

2. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA, RECORDED IN DEEDS OF REAL ESTATE BOOK 25 AT PAGE 104, READING AS FOLLOWS:

THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

(AFFECTS LOTS 2 AND 3 OF SECTION 19).

3. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA, RECORDED IN BOOK 50 OF DEEDS OF REAL ESTATE AT PAGE 366, READING AS FOLLOWS:

THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

(AFFECTS THE NORTH HALF OF SECTION 17).

4. RESERVATIONS, EXCEPTIONS AND PROVISIONS CONTAINED IN THE PATENT TO THE PROPERTY DESCRIBED HEREIN FROM THE UNITED STATES OF AMERICA, RECORDED IN DEEDS OF REAL ESTATE BOOK 56 AT PAGE 181, READING AS FOLLOWS:

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SUBJECT TO ANY VESTED AND ACCRUED WATER RIGHTS FOR MINING, AGRICULTURAL, MANUFACTURING, OR OTHER PURPOSES, AND RIGHTS TO DITCHES AND RESERVOIRS USED IN CONNECTION WITH SUCH WATER RIGHTS, AS MAY BE RECOGNIZED AND ACKNOWLEDGED BY THE LOCAL CUSTOMS, LAWS AND DECISIONS OF COURTS; AND ALSO SUBJECT TO THE RIGHTS OF A PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM, SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED AS PROVIDED BY LAW, AND THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES.

(AFFECTS THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18).

5. RIGHTS OF CHARLES H. GREENE AND HIS SPOUSE, IF HE WAS MARRIED, ON SEPTEMBER 18, 1972, TO AN UNDIVIDED 21.963% INTEREST; C. KIRK GREENE AND JUNE POPE GREENE, HUSBAND AND WIFE, TO AN UNDIVIDED 26.402% INTEREST; MARGARETHE H. T. GREENE AND HER SPOUSE, IF SHE WAS MARRIED ON SEPTEMBER 18, 1972, TO AN UNDIVIDED 0.680% INTEREST; AND TERESA HILGARD GREENE NEFF AND HER SPOUSE, IF SHE WAS MARRIED ON SEPTEMBER 18, 1972, TO AN UNDIVIDED 0.955% INTEREST, IN AND TO ALL ROYALTY IN MINERALS OF EVERY KIND AND CHARACTER, INCLUSIVE OF, BUT NOT LIMITED TO, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS MORE FULLY SET FORTH AND CONVEYED IN THAT CERTAIN ROYALTY CONVEYANCE DATED SEPTEMBER 18, 1972, RECORDED SEPTEMBER 22, 1972 IN DOCKET 806 AT PAGE 442.

SAID MATTER AFFECTS THIS AND OTHER PROPERTY.

6. A LEASE, AFFECTING THE PREMISES HEREIN STATED, EXECUTED BY AND BETWEEN THE PARTIES NAMED HEREIN, FOR THE TERMS AND ON THE TERMS, COVENANTS AND CONDITIONS THEREIN PROVIDED,

TYPE OF LEASE: OIL AND GAS

DATED : DECEMBER 28, 1978

LESSOR : THE VICTORIO COMPANY

LESSEE : THE ANSCHUTZ CORPORATION

TERM : 10 YEARS FROM DATE AND AS LONG THEREAFTER AS OIL OR GAS OF WHATSOEVER NATURE OR KIND, OR EITHER OF THEM IS PRODUCED FROM SAID LAND OR PREMISES POOLED THEREWITH OR DRILLING OPERATIONS ARE CONTINUED AS HEREINAFTER PROVIDED

RECORDED : JANUARY 12, 1979 IN DOCKET 1299 AT PAGE 408

AFFECTS : TOWNSHIP 24 SOUTH, RANGE 22 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN; SECTIONS 17: ALL; SECTION 18: THE EAST HALF OF THE WEST HALF; THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER; AND THE SOUTHEAST QUARTER; SECTION 19: LOTS 1 THROUGH 3

AN ASSIGNMENT OF THE LESSEE'S INTEREST IN SAID LEASE WAS EXECUTED BY: THE ANSCHUTZ CORPORATION, A KANSAS CORPORATION TO : NARMCO, INC., A DELAWARE CORPORATION RECORDED : APRIL 4, 1979 IN DOCKET 1319 AT PAGE 597

SAID MATTER AFFECTS THIS AND OTHER PROPERTY

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7. ANY ADVERSE CLAIM TO ANY PORTION OF SAID LAND WHICH HAS BEEN CREATED BY ARTIFICIAL MEANS OR WHICH IS ACCRETION, ALLUVION, DERELICTION, AVULSION, RELICTION, OR EXPOSED RIVERBED.
8. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,  
IN FAVOR OF: ARIZONA PUBLIC SERVICE COMPANY  
FOR : ELECTRIC LINES  
RECORDED IN: DECEMBER 22, 1982 IN DOCKET 1640 AT PAGE 112  
AFFECTS : A PORTION OF THE NORTHWEST QUARTER OF SECTION 17
9. UNPATENTED MINING CLAIMS.
10. WATER RIGHTS, CLAIMS OR TITLE TO WATER.
11. ANY RIGHTS OF THE UNITED STATES TO A PUBLIC RESERVE 60.00 FEET WIDE ALONG AND IMMEDIATELY NORTH OF THE INTERNATIONAL BOUNDARY BETWEEN THE UNITED STATES AND MEXICO, AS PROVIDED IN PRESIDENTIAL PROCLAMATION OF MAY 27, 1907.  
  
(AFFECTS SECTION 19).
12. RIGHTS OF WAY FOR ROADS, CANALS, LATERALS AND DITCHES, INCLUDING, BUT NOT LIMITED TO EXISTING ROAD AND HIGHWAYS.
13. ANY FACTS, RIGHTS, INTEREST OR CLAIMS WHICH A CORRECT SURVEY WOULD SHOW.

END OF SCHEDULE B, PART 1.

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